

# **APPLICATION**

## **EXHIBIT A**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,  
*et al.*

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**DECLARATION OF A. J. BENNAZAR ZEQUEIRA  
IN SUPPORT OF APPLICATION OF THE OFFICIAL COMMITTEE OF  
RETIRED EMPLOYEES OF THE COMMONWEALTH  
OF PUERTO RICO FOR ORDER APPROVING THE  
EMPLOYMENT OF BENNAZAR, GARCÍA & MILIAN, CSP**

I, A. J. Bennazar Zequeira, of legal age, married, attorney at law and resident of San Juan, Puerto Rico hereby declare that the following is true and correct to the best of my knowledge, information and belief:

1. I am a partner and the Director of the firm of Bennazar, García & Milián, CSP (“**BGM, CSP**”) which maintains offices for the practice of law at Union Plaza Building, PH-A, 416 Ponce de León Avenue, Hato Rey, San Juan, Puerto Rico. I am an attorney duly licensed

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<sup>1</sup> The Debtors in these jointly-administered PROMESA title III cases (these “**Title III Cases**”), along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686).

and am in good standing in the Commonwealth of Puerto Rico (PR Supreme Court No. 4669) and also admitted before the US Court of Appeals for the 1<sup>st</sup> Circuit (Boston No. 53086) and the US District Court for the District of Puerto Rico (No. 120907).

2. I submit this Declaration in connection with the Application of the Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “**Retiree Committee**”) for an order approving the employment of BGM, CSP effective as of June 16, 2017. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

3. To the extent that any information stated herein requires subsequent amendment or modification, one or more supplemental declarations will be submitted to the Court reflecting the same.

#### **Qualifications of BGM, CSP**

4. On June 16, 2017, the Retiree Committee unanimously selected BGM, CSP as its counsel in the Title III Cases, subject to this Court’s approval.

5. I and others at BGM, CSP have substantial experience and knowledge in the areas of complex litigation, civil and commercial law, civil litigation as well as arbitration and mediation procedures. Senior counsel and other professionals working for the firm also have extensive experience as administrators and legal counsel to Puerto Rico’s Retirement Systems. BGM, CSP has the ability to commit substantial resources to the representation of the Retiree Committee.

6. As required by Rule 2014-1(a) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “**Local Rules**”), I attach hereto, collectively as Declaration **Exhibit 1**, my *curriculum vitae*.

### Services to be Provided

7. The Retiree Committee has retained the services of BGM, CSP to act as its counsel for all matters relating to the performance of the Retiree Committee's duties under 11 U.S.C. § 1103(a), made applicable by section 301(a) of the *Puerto Rico Oversight, Management, and Economic Stability Act* ("**PROMESA**"),<sup>2</sup> 48 U.S.C. § 2161(a), including, without limitation, the following services:

- a. providing advice and representation concerning any proposed modifications of pension, healthcare, and other accrued retirement benefits (collectively, "**benefits**") of Puerto Rico's public-employment retirees (the "**Retirees**");
- b. negotiating with the Oversight Board and any other parties to the Title III Cases concerning the Retirees' benefits and any matters that may affect those benefits;
- c. representing the Retiree Committee in any proceedings and hearings and any mediation sessions that involve or might involve matters related to, or potentially affecting the benefits of the Retirees;
- d. preparing on behalf of the Retiree Committee any necessary adversary complaints, motions, memoranda, applications, orders and other legal papers relating to such matters;
- e. advising the Retiree Committee with respect to its powers and duties;
- f. prosecuting and defending litigation matters and such other matters concerning the Retirees' rights and benefits; and
- h. performing such other legal services as may be necessary and appropriate for the effective protection and preservation of the Retiree Committee's interests in the Title III Cases.

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<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101–2241. Unless otherwise noted, all Bankruptcy Code sections cited in this application are made applicable to these Title III Cases by section 301(a) of PROMESA.

**BGM, CSP's Conflicts Checks Procedures and Disinterestedness**

8. In connection with its proposed employment by the Retiree Committee, BGM, CSP undertook to determine whether it had any conflicts or other connections that might cause it to hold or represent an interest adverse to the Debtors' estates with respect to the matters on which BGM, CSP is to be employed.

9. By reference to the dockets in the Title III Cases, the pending adversary proceedings, and certain pre-title III litigation, BGM, CSP reviewed parties in interest in the Title III Cases (the "**Parties in Interest**"), which are set forth on the list found at Declaration **Exhibit 2**, attached hereto.

10. In the ordinary course of business, BGM, CSP requires its professionals, before accepting the representation of a new client or the representation of an existing client in a new matter, to perform a conflict check. BGM, CSP's conflict check procedures include a review of the firm's database that includes every matter on which the firm is or at one time was retained and, in each instance, to the extent known, includes the identity of related and adverse parties.

11. Based upon information ascertained reviewing our files and database, BGM, CSP and its attorneys are not providing and will not provide any representation or advice to any of the parties in interest, including any current clients, for any matter arising in or in connection with these Title III Cases, and has not provided any such services.

12. My connections and BGM, CSP's connections with the Debtors, any creditor or other party in interest, their respective attorneys and accountants, the United States Trustee, or any person employed by the United States Trustee are as set forth below.

13. For disclosure purposes, BGM, CSP identified the following client as a potential party in interest: the Puerto Rico Aqueducts and Sewers Authority (PRASA). BGM, CSP has

represented and is representing PRASA in matters totally unrelated to the Title III Cases. In addition, BGM, CSP previously provided counsel to the PR Department of Correction and Rehabilitation (DCR by its Spanish acronym) in matters totally unrelated to the Title III Cases, and our professional relationship with the DCR ceased on June 30, 2016.

14. In addition to the foregoing, prior to the appointment of the Retiree Committee, the undersigned and attorney Robert Gordon served as counsel to the Ad Hoc Committee for the Protection of Accrued Retirement Benefits of Puerto Rico's Public Employees and Retirees (the "**Ad Hoc Committee**"). BGM, CSP and Attorney Robert Gordon have since terminated our representation of the Ad Hoc Committee. (Dkt. Nos. 413, 432.) Several of the members of the Ad Hoc Committee are now members of the Retiree Committee.

15. I am not related to, and to the best of my knowledge, no other attorney at BGM, CSP is related to, any United States Bankruptcy Judge for the District of Puerto Rico, any of the District Judges for the District of Puerto Rico, presiding Judge Swain, Judge Dein, any of the mediators appointed in the Title III Cases, the United States Trustee for Region 21, or any employee in the Office of the United States Trustee for Region 21. Accordingly, I submit that Bankruptcy Rule 5002 would not prohibit employment of BGM, CSP as counsel to the Retiree Committee

16. Based on the foregoing, I believe that I am, and each BGM, CSP attorney is, a "disinterested person" as that term is defined in 11 U.S.C. § 101(14); that neither I nor any BGM, CSP attorney holds or represents any interest adverse to the Debtors' estates; and that none of our attorneys represent in other matters parties with any interest adverse to the Debtors' estates, except as otherwise specified in this Declaration.

17. I will amend this Declaration immediately upon learning that: (a) any of the representations made herein are incorrect, or (b) there is any change of circumstance relating thereto.

### **Compensation**

18. BGM, CSP will charge for its legal services on an hourly basis based on its ordinary and customary hourly rates in effect as of January 1 of the calendar year in which the services are rendered. As of January 1, 2017, the applicable rates are:

Partners & Senior Counsel	\$375
Counsel	\$200 to \$275
Associates and Staff Attorneys	\$125 to \$175
Law Clerks or Paralegals	\$65 to \$95

I have reviewed the provisions of Local Rule 2016-1 and other applicable guidance, and BGM, CSP will seek payment of our fees in these Title III Cases pursuant to any procedures established and required by PROMESA, the Local Rules, this Honorable Court, and the U.S. Trustee.

19. The charges for the attorneys who will render services to the Retiree Committee will be based upon actual time spent and upon the experience and expertise of the attorney or legal assistant involved. The hourly rates set forth above may be subject to future adjustments to reflect economic and other conditions.

20. The hourly rates set forth above are consistent with the rates that BGM, CSP charges other comparable clients for similar services, whether in or outside of bankruptcy, regardless of the location of the client or the court in which a matter is pending. The hourly rates listed above are appropriate and not significantly different from (a) the rates that BGM, CSP charges for other similar types of representations or (b) the rates that other counsel of similar expertise and experience would charge to do work similar to the work BGM, CSP will perform in these Title III Cases.

21. BGM, CSP will apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these Title III Cases in compliance with sections 316 and 317 of PROMESA and pursuant to any procedures established and required by PROMESA, this Honorable Court, and the U.S. Trustee.

22. I have not agreed to share with any person, except attorneys working for BGM, CSP, the compensation to be paid for the services rendered in these cases. No agreement or understanding exists between BGM, CSP and any other person, other than as permitted by section 504 of the Bankruptcy Code, to share compensation received for services rendered in connection with these cases, nor shall BGM, CSP share or agree to share compensation received for services rendered in connection with this/these case(s) with any other person other than as permitted by section 504 of the Bankruptcy Code.

23. BGM, CSP has received no retainer compensation from the Debtors, or the Retiree Committee, including for any services provided prior to the commencement of these Title III Cases.

24. Other than the disclosed representation of the Ad Hoc Committee, certain members of which are now members of the Retiree Committee, BGM, CSP has not represented the Retiree Committee or any member of the Retiree Committee in the past twelve months.

I declare under penalty of perjury as provided in 28 U.S.C. § 1746 that the foregoing is true and correct according to the best of my knowledge, information and belief.

Dated: July 20, 2017

**BENNAZAR, GARCIA & MILIAN, CSP**

\_\_\_\_\_/s/ A. J. BENNAZAR ZEQUEIRA\_\_\_\_\_  
By: A. J. Bennazar Zequeira, Director